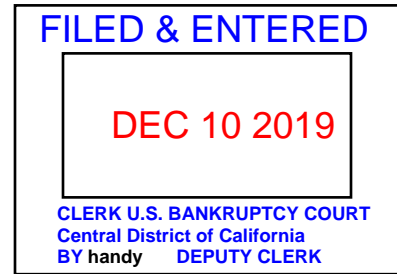


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Chapter 11 Trustee



UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
NORTHERN DIVISION

In re
HVI CAT CANYON, INC.,

Debtor.

Case No. 9:19-bk-11573-MB

Chapter 11

**ORDER GRANTING MOTION AND
ESTABLISHING PROCEDURE FOR
INTERIM COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR
PROFESSIONALS AND AUTHORIZING
PAYMENT ON A MONTHLY BASIS (doc.
no. 511)**

[No hearing required]

Michael A. McConnell (the "Chapter 11 Trustee"), has filed the *Motion Of Chapter 11 Trustee For Order (1) Establishing Procedures For The Payment Of Interim Compensation And Reimbursement Of Expenses (11 U.S.C. §§ 105(a) And 331), And Authorizing Payment On A Monthly Basis (11 U.S.C. § 328); And Memorandum Of Points And Authorities And Declaration Of Michael A. McConnell* (the "Motion") (doc. no. 511), pursuant to Sections 105(a) and 331 of the Bankruptcy Code and Local Bankruptcy Rule 2016-1(b) seeking to establish a procedure for monthly interim compensation and reimbursement of professionals.

The Court, having read and considered the Motion, the Notice of Errata to the Motion (doc no. 553), the Limited Objection by Buganko, LLC to the Motion (doc no. 528), the Limited Response and Reservation of Rights respecting the Motion (doc no. 543) filed by the former

1 attorneys for the debtor, the Stipulation between the Chapter 11 Trustee and Buganko, LLC
2 withdrawing its Objection to the Trustee's Motion (doc no. 568) and all of the other pleadings on
3 file in the Debtor's case, and upon due and adequate notice of the Motion having been given in
4 accordance with the terms thereof, and there being no opposition, and it appearing that the relief
5 requested in the Motion is in the best interests of the Debtor and its estate and creditors. It
6 appearing that good cause exists,

7 **IT IS HEREBY ORDERED THAT:**

- 8 1. The Motion is granted in its entirety.
- 9 2. The Trustee and professionals employed by the Trustee and the Committee
10 (collectively the "Professionals" or "Professional") may seek monthly compensation from free and
11 clear funds (if any) or post-petition carve-outs as provided in this Order in accord with the
12 Guidelines of the United States Trustee.
- 13 3. On or before the 20th day of each month following the month for which
14 compensation is sought, the Professional seeking fees and expenses from the Debtor's estate under
15 this procedure must file with the Court and serve a monthly Professional Fee Statement (the
16 "Monthly Statement") on the Office of the United States Trustee.
- 17 4. Each Monthly Statement must include the following information: (i) the total
18 amount of compensation and reimbursement of expenses requested for the month, (ii) the names,
19 hourly rates, total number of hours billed, and total amount of fees incurred by each individual
20 during the month, (iii) a summary list of the expenses for which reimbursement is sought, (iv)
21 detailed statements of the time entries for all individuals who performed services during the month.
- 22 5. A copy of the Monthly Statement without backup shall be served to counsel for the
23 Official Committee of Unsecured Creditors (the "Committee") and all other parties requesting
24 special notice (all collectively the "Recipients"). The Monthly Statement shall comport with the
25 U.S. Trustee's Professional Fee Statement Form UST16-6.0.
- 26 6. The U.S. Trustee and each of the Recipients shall have ten (10) days after service of
27 a Monthly Statement (the "Objection Deadline") to raise any objection thereto. Any objection to a
28 Monthly Statement (an "Objection") must (i) be in writing, (ii) set forth the precise nature of the

1 Objection, the grounds therefore, and the amount of fees and/or expenses to which the Objection
2 applies, and (iii) be filed with the Court and served, on or before the Objection Deadline, on both
3 the Professional that submitted the Monthly Statement and each of the Recipients. A “blanket” or
4 general objection to a Monthly Statement will be deemed to be a nullity and shall not trigger the
5 provisions of paragraph 7 below. “Joinders” to objections will also be deemed a nullity if such
6 “joinders” are not filed and served on or before the Objection Date.

7 7. If no timely Objection is filed and served with respect to a Monthly Statement, then,
8 without further order of the Court, the Trustee may pay the Professionals submitting such statement
9 the amount of 80% of the fees and out-of-pocket expenses requested in the Monthly Statement.
10 Any and all such payments shall be on an interim basis and subject to the filing of interim and final
11 fee applications.

12 8. If a timely Objection is filed and served with respect to a Monthly Statement, then
13 the objecting party and the Professional may attempt to resolve the Objection on a consensual
14 basis. If the parties are unable to reach a consensual resolution of the Objection, the Professional
15 may either: (i) set the matter for hearing with the Court, on not less than fourteen (14) days’ notice
16 to each of the Recipients; or (ii) forego payment of the disputed amount until the next interim or
17 final fee application hearing, at which time the Court will consider and resolve the Objection.

18 9. Pending resolution of any timely Objection, the Trustee may pay the affected
19 Professional the lesser of: (a) 80% of the fees and 100% of the expenses requested in the Monthly
20 Statement and (b) the aggregate amount of fees and expenses requested in the monthly statement as
21 to which no timely objection was made.

22 10. In accordance with Section 331 and applicable rules and guidelines, each of the
23 Professionals shall file with the Court and serve on all parties identified in paragraph 3 above (and
24 on such parties as may be required by the Bankruptcy Code or the Federal Rules of Bankruptcy
25 Procedure), an application for Court approval of interim compensation and reimbursement of
26 expenses (including the twenty percent (20%) held back from the payment of Monthly Statements),
27 for the period dating back to the last application for Court approval of interim compensation and
28 reimbursement of expenses and not more frequently than every 120 days.

